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CWFP Project Priority List
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LRLP ITA/PERF Scores

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Loan Interests

Clean Water Fund Program SFY 2005 Funding Policies

Cindy Hoffland

Below are the proposed funding policies for administering the Clean Water Fund Program (CWFP) for State Fiscal Year (SFY) 2005. The funding policies will be effective for SFY 2005 (July 1, 2004 through June 30, 2005).

- Present value subsidy (PV) is the financial control used to limit the amount of CWFP financial assistance. The total amount of PV estimated to be available for the 2003-2005 biennium is \$90,000,000. Fifteen percent of this amount or \$13,500,000 is set aside for hardship financial assistance. The estimated hardship PV limit for SFY 2005 is \$9,200,000. This limit is based on the biennial PV available for hardship assistance less the PV already allocated to SFY 2004 hardship projects.
- Hardship PV will be allocated to municipalities in the fundable range based on amounts shown in the applications and current information at the time the hardship financial assistance funding list is published. If a municipality's cost estimates increase between the time the list is published and the time the Financial Assistance Agreement is prepared, and there is insufficient unallocated hardship PV remaining to fund the increase with hardship financial assistance, the

municipality may receive funding for the additional costs at the non-hardship interest rate specified for the type of project being constructed.

- The department may provide partial hardship funding to the last project in the SFY 2005 fundable range if the CWFP does not have enough hardship PV available to fully fund the project. Any partially funded project can compete in a future fiscal year for additional hardship PV.
- The fair share objectives for utilization of minority business and women business enterprises (MBE/WBEs) are as negotiated with the Environmental Protection Agency in March 2003. A municipality receiving CWFP monies must either:
 - 1) utilize MBEs for 3% or more of the cost of its project and utilize WBEs for 4% or more of the cost of its project; or
 - 2) certify that a good faith effort was made to achieve these goals.

If you have questions related to these funding policies, contact Cindy Hoffland at (608) 266-7758 or cynthia.hoffland@dnr.state.wi.us. ☐

CWFP SFY 2005 Project Priority List

Ken Hollenzer

The State Fiscal Year (SFY) 2005 Project Priority List for the Clean Water Fund Program (CWFP) is attached to

this newsletter. The list contains all CWFPP projects eligible to apply for SFY 2005 funding. The projects are displayed in descending order by priority score. In the case of tie scores, the project serving the higher population has higher priority. We gave a priority score of zero to any project for which the department did not receive a Priority Evaluation and Ranking Form (PERF) by December 31, 2003.

If your municipality's project is included on the SFY 2005 Project Priority List, you may submit a CWFPP Financial Assistance Application (Form 8700-203) to request funds between July 1, 2004 and June 30, 2005. To obtain a copy of the application form, visit our website at <http://www.dnr.state.wi.us/org/caer/cfa/EL/FORMS/forms.html> or contact Deb Olson at (608) 266-5889 or debra.olson@dnr.state.wi.us.

If you have questions regarding the CWFPP Project Priority List, contact Ken Hollenzer at (608) 266-7542 or kenneth.hollenzer@dnr.state.wi.us.



CWFP Hardship Deadline Reminder

Cindy Hoffland

Application Deadline: Clean Water Fund Program (CWFP) hardship financial assistance applications must be postmarked by June 30, 2004.

This deadline applies to you if you submitted a Notice of Intent to Apply (ITA) by December 31, 2003, and you want to receive hardship financial

assistance in State Fiscal Year 2005 (July 1, 2004 - June 30, 2005).

You can obtain a financial assistance application by visiting our forms page on the web at <http://www.dnr.state.wi.us/org/caer/cfa/EL/FORMS/forms.html> or by contacting Deb Olson at 608-266-5889 or debra.olson@dnr.state.wi.us.

LRLP Funding Policies for SFY 05

Maureen Hubeler

Below are the proposed funding policies for administering the Land Recycling Loan Program (the "LRLP") for State Fiscal Year (SFY) 2005. The funding policies will be effective from July 1, 2004 through June 30, 2005.

The LRLP statute, s. 281.60(5), Wis. Stats., states: "The department shall establish at least 2 application deadlines each year." Section 281.60(8), Wis. Stats., further states that "The department shall establish a funding list for each fiscal year that ranks projects of eligible applicants . . ." In order to meet these dual requirements of two application deadlines and a single funding list, the LRLP will use the following process:

- The first application deadline date for the upcoming fiscal year is October 1, 2004. LRLP applications submitted by this date will be used to establish the FY 05 funding list. The department will publish the funding list in late December 2004 or early in 2005. If funds are available, the LRLP will allocate the funds to projects on this funding list (subject to the restriction that no more than 40% of the funds may be allocated to projects for landfill remediation).
- The second application deadline date is February 1, 2005. Applications received by this date will be added, in priority order, to

the bottom of the FY 05 funding list. The LRLP will allocate any remaining funds to applications meeting this deadline in priority order, again subject to the 40% landfill restriction.

- Each project on the FY 05 funding list will have 12 months after the

Calendar of Events

June 30, 2004

Postmark deadline

CWFP Hardship applications

October 20, 2004

Funding Sources Committee

Evening Presentation

City Hall, Dodgeville

November 9, 2004

Funding Sources Committee

Morning Workshop

WRWA, Plover

November 10, 2004

Funding Sources Committee

Mid-day Workshop

City Hall, Rice Lake

allocation of funds to close the loan.

- At this time, there are no funds available for the October 1, 2004 or the February 1, 2005 applications. All remaining funds for the LRLP are currently allocated to projects on the SFY 04 funding list. If any of these projects does not proceed on a schedule that would allow it to close on a loan by March 9, 2005, the funds will be released and allocated to other projects.

The department received nine Notices of Intent to Apply for SFY 05 funds totaling \$18,076,360. Of these nine projects, six of them totaling

\$11,504,860 are on the current SFY 04 funding list.

The amount of present value subsidy for the LRLP that was included in the 2003-05 budget is equal to \$4,000,000. No eligible applicant may receive more than 25% of this established amount of present value subsidy. Therefore, the maximum loan amount for any single applicant is \$2,127,660.

If you have any questions related to the LRLP or these funding policies, contact Maureen Hubeler at 608-266-0849 or maureen.hubeler@dnr.state.wi.us. ☐



LRLP Project Priority List for SFY 2005

Maureen Hubeler

The Fiscal Year 2005 Project Priority List for the Land Recycling Loan Program (LRLP) is included in this newsletter. We will publish a funding list after we review the first round of applications, due October 1, 2004. After we review the second round of applications, due February 1, 2005, we will publish an amended funding list.

You can obtain an LRLP application (Form 8700-267) from the DNR website at www.dnr.state.wi.us/org/caer/cfa/EL/FORMS/forms.html or by contacting Deb Olson at 608-266-5889 or debra.olson@dnr.state.wi.us.

For more information on LRLP funding, see the LRLP Funding Policies article in this newsletter.

If you have any questions regarding the LRLP, contact Maureen Hubeler at 608-266-0849 or maureen.hubeler@dnr.state.wi.us. ☐

EIF Training, Allowances, and Multi-Source Funding

Navin Jarugumilli

EIF Spring Training

Environmental Improvement Fund (EIF) staff decided not to hold the annual EIF spring training sessions this year due to low attendance last year and lack of interest. With frequent updates on our web site and in the Loan Interests newsletter, it seems customers are receiving most of the information they need throughout the year. We decided that we will evaluate the need for Spring Training Sessions on an annual basis. This decision will be based on statutory, code and other programmatic changes that occur each year.

There are two issues we would have covered in Spring Training Sessions that we decided to address in this newsletter. Please read the following paragraphs regarding allowances in construction contracts and timing issues with multi-source funding.

Allowances in Construction Contracts

The Environmental Improvement Fund (EIF) programs allow a 5% contingency on all construction costs that the EIF finances. Sometimes we see costs such as contingency allowance, cash allowance, budget allowance or pre-negotiated allowance included in construction contracts. When any of these types of allowances are included in a construction contract, the engineer or municipal official who prepares the project budget for an EIF application

should remove the amount of the allowance from the Construction/Equipment line item. We can't give contingency on these allowances as this provides a double contingency on the actual contracted construction cost estimate.

If a municipality actually incurs expenses that the allowance is intended to cover, the EIF may be able to provide funding for those costs through the change order process. If the DNR Construction Management Engineer (CME) approves a Change Order for the costs covered by the allowance, we will use the funds included in the Contingency line item of the budget.

We also see costs labeled general conditions, miscellaneous job expenses, allowances—skilled trades, and general equipment listed in construction contracts. When an EIF project manager finds these types of items in a construction contract, the project manager will request additional information from the municipality or the engineering firm in order to determine whether or not these items are eligible for EIF funding.

If you have questions about the eligibility of any costs while preparing construction contracts or EIF applications, contact your EIF project manager or the appropriate CME or DNR basin engineer. Putting costs in the right columns and line items as you prepare your project budget can save everyone involved some later confusion about what costs the EIF is able to fund.

Timing of Multi-Source Funding

The EIF has seen an increase in applicants that obtain funds from more than one funding source for a single project. Timing becomes difficult for an EIF loan closing if a municipality submits an EIF application prior to securing its other funding or having some assurance that it will receive the other funding.

Typically with a project funded with multiple sources, the municipality secures a grant from the Dept. of Commerce CDBG Program, USDA Rural Utilities Services, EPA State and Tribal Assistance Grants (STAG) or other grant program for a portion of the project cost, covering the remaining cost with a loan from the EIF. With most of the EIF's projects receiving an interest rate around 2.365%, this makes water and sewer projects more affordable.

In order to help your project run more smoothly with multiple funding sources, we encourage you to talk with your EIF project manager and a staff person from your other funding source early in the project, before submitting your EIF application. Together we can work out the timing of document submittals, grant award and loan closing in order to avoid missing important deadlines, last minute submittals, and delaying meetings or loan closing. It is important that you make it clear to your EIF project manager if you are either pursuing other funding or have already obtained other funding for your project.

If you would like further information on any of the above topics, contact Navin Jarugumilli at 608-267-0490 or navin.jarugumilli@dnr.state.wi.us. ☐



New Interest Rates

Jeanne Cargill

The Environmental Improvement Fund (EIF) has a new market rate of 4.30%. Since EIF interest rates for various types of projects are based on a percentage of the market rate, we adjusted our interest rates for costs in the following categories as shown below:

Clean Water Fund Program

Compliance Maintenance- 2.365%
(55% of market)
New/Changed Limits - 2.365%
(55% of market)

Storm Water/Nonpoint Source-2.795%
(55% of market)
Unsewered - 3.010%
(70% of market)

Safe Drinking Water Loan Program

Disadvantaged Municipalities* -1.419%
(33% of market)
Non-Disadvantaged Municipalities-
2.365% (55% of market)

*Disadvantaged municipalities have a population of less than 10,000 and a median household income in the municipality that is 80% or less of the state's median household income.

Note: The interest rate of 0.00% for Land Recycling Loan Program projects is unchanged. ☐

CWFP Intended Use Plan

Becky Scott

Wisconsin's State Fiscal Year (SFY) 2005 Intended Use Plan (IUP) is included in this newsletter. The IUP indicates the intended use of the Federal Fiscal Year (FFY) 2004 State Revolving Fund (SRF) capitalization grant and required state matching funds, as well as the undisbursed funds remaining from the FFY 2003 grant. The IUP is a part of Wisconsin's capitalization grant agreement package for FFY 2004 SRF funds and covers anticipated activity during SFY 2005.

If you have questions regarding the Clean Water Fund Program Intended Use Plan, contact Becky Scott at (608) 267-7584 or rebecca.scott@dnr.state.wi.us ☐

EIF Reference Guide

Kathy Hanson

The Environmental Improvement Fund (EIF) Reference Guide serves as a tool for our customers intending to apply for financial assistance from the EIF loan programs.

Currently, the reference guide material is offered both on the DNR web site and, upon request, in hard copy form mailed out via the U.S. Post Office.

We are considering the following:

- Eliminating the reference guide hard copy that is currently available to our customers.
- Offering the reference guide just on the DNR web site where it is currently located at <http://www.dnr.state.wi.us/org/caer/cfa/EL/Guide/alpha.html>.

We would like to hear from our customers regarding this suggested change. Will it be a problem for you if a hard copy of the reference guide is no longer available?

Please send comments to kathleen.hanson@dnr.state.wi.us or give Kathy a call at 608-267-7153. ☐